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**FISCAL IMPACT STATEMENT**

**LS 7290**

**BILL NUMBER:** HB 1424

**NOTE PREPARED:** Feb 19, 2007

**BILL AMENDED:** Feb 15, 2007

**SUBJECT:** Certified Technology Parks.

**FIRST AUTHOR:** Rep. Austin

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** The bill provides that a certified technology park is subject to the review of the Indiana Economic Development Corporation and must be recertified every four years. The bill provides that the failure of any party to comply with the terms of an agreement to establish a certified technology park may result in the termination or rescission of the designation of the area as a certified technology park. (Current law provides that noncompliance does not result in the termination or rescission of a designation.)

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** (Revised) *Summary:* The bill provides that certified technology parks (CTPs) are subject to the review of the Indiana Economic Development Corporation (IEDC) and that CTPs must be re-certified by the IEDC every four years. The bill requires the IEDC to develop procedures and the criteria for reviewing CTPs. The bill also requires a CTP to furnish to the IEDC the following information for purposes of the review:

- (1) Total employment and payroll levels for all businesses operating within the CTP.
- (2) The nature and extent of any technology transfer activity occurring within the CTP.
- (3) The nature and extent of any nontechnology businesses operating within the CTP.
- (4) The use and outcomes of any state money made available to the CTP.
- (5) An analysis of the CTP's overall contribution to the technology based economy in Indiana.

The bill also authorizes the IEDC to terminate or rescind the designation of an area as a CTP if the parties to the CTP agreement with the IEDC do not comply with the terms of the agreement. (Note: The parties to the agreement would be the local redevelopment commission and city that established the redevelopment

commission.)

The IEDC's current level of resources should be sufficient to conduct the CTP reviews that would have to occur under the bill over the next two to three years. The February 12, 2007, state position vacancy report indicates that the IEDC has 33 vacant full-time positions.

*Background:* Under current statute the IEDC is authorized to designate CTPs proposed by local redevelopment commissions to encourage the location of high-technology businesses within these areas. Current statute does not set a time frame for expiration or re-certification of the CTPs. A CTP is authorized to capture incremental property taxes and incremental revenue from state income taxes, local option income taxes, and sales tax generated in the CTP. However, a CTP is prohibited from capturing more than \$5 M over its life in incremental income and sales tax revenue generated in the park.

Since the CTP program went into effect in 2003, 18 technology parks have been certified. The certified technology parks are located in: Anderson, Bloomington, Columbus, Evansville, Ft. Wayne, Hammond, Indianapolis (2 technology parks), Jeffersonville, Kokomo, Merrillville, Muncie, Richmond, Scottsburg, Shelbyville, Vigo County, West Lafayette, and the West Gate at Crane Naval Warfare Center (Daviess County).

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Economic Development Corporation.

**Local Agencies Affected:** Certified Technology Parks.

**Information Sources:** Technology Parks Map, Indiana Economic Development Corporation, <http://www.in.gov/iedc/maps/TechParksMap.html>.

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